disabled veterans. Many brave men and women, who sustained permanent injuries while defending our nation and the liberties we cherish, must spend extended periods in hospitals because of their service-connected disabilities.

When they do require extended hospital stays, disabled veterans must take time away from their jobs, causing them to lose out on the salaries they rely upon to pay their rent or mortgages and to care for their families.

Because extended care can cause financial hardships, veterans who are ordinarily rated at less than 100 percent for their service-connected disabilities qualify for a special 100 percent rating to help them compensate for their temporary financial losses.

An inequity exists in the current law, however. The Department of Veterans Affairs (VA) does not begin the temporary total disability compensation until the beginning of the month following their admission. That is, if a veteran is hospitalized on the 15th, their special compensation does not start until the first of the next month.

Even though they are incapacitated, veterans must sometimes wait almost 2 months to receive payment at the 100 percent level. Unfortunately, they still have bills due during this time and cannot always wait for several weeks for their compensation.

Today I am introducing the Hospitalized Veterans Financial Assistance Act of 2003 to correct the flaws in the law and to give America's disabled veterans our full support throughout their convalescence. Under this legislation, the VA would begin the special 100 percent disability rating on the day they are admitted to the hospital.

By making this adjustment to the law, a disabled veteran may not be faced with the difficult decision of declining medical treatment because of their financial concerns. I urge my colleagues to join me in supporting those who have made the most tremendous sacrifices on our behalf by correcting this inequity.

PREMATURE BIRTH: A SILENT HEALTH CRISIS

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 20, 2003

Mr. UPTON. Mr. Speaker, premature birth is a serious and growing problem. Each day 1,305 babies are born too soon, and the rate of preterm birth increased 27 percent between 1981 and 2001. In 2001, 476,000 babies were born prematurely in the United States. Tragically, premature infants are 14 times more likely to die in their first year of life, and preterm births account for 23 percent of deaths in the first month of life. Further, premature babies who survive may suffer lifelong consequences, including cerebral palsy, mental retardation, chronic lung disease, and vision and hearing loss. Preterm delivery can happen to any pregnant woman, and in nearly one-half of the cases, no one knows why.

That is why today I am introducing, with my colleagues ANNA ESHOO, JIM RAMSTAD, SHERROD BROWN, SPENCER BACHUS, ED TOWNS, and JESSE JACKSON, Jr., the bipartisan Prematurity Research Expansion and Education for Mothers who deliver Infants Early Act, or "PREEMIE Act." The goal of the PREEMIE Act is designed to reduce the rates of preterm labor and delivery, promote the use of evidence-based care for pregnant women at risk of preterm labor and for infants born preterm, and reduce infant mortality and disabilities caused by prematurity. This will be accomplished by expanding federal research related to preterm labor and delivery and increasing public and provider education and support services. Expanding these federal initiatives is supported by the March of Dimes, the American Academy of Pediatrics, the American College of Obstetricians and Gynecologists, and the Association of Women's Health, Obstetric and Neonatal Nurses.

We hope that you and many more of our House colleagues will join us in the fight to ensure a healthy start for all of America's children by cosponsoring and working with us for the enactment of the PREEMIE Act.

AMERICAN COMPETITION ENHANCEMENT ACT OF 2003 (THE ACE ACT OF 2003)

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 20, 2003

Mr. COLLINS. Mr. Speaker, today, I am proud to introduce legislation that will protect American jobs and will create new job opportunities for those Americans in search of employment.

The American Competition Enhancement Act of 2003 would ultimately provide an across-the-board tax cut of 5 percent for all corporations. Specifically, the ACE Act will cut the corporate tax rate by 3 points in 2004, initially lowering the corporate rate to a tax level of 32 percent. Three years later, the ACE Act would cut the tax rate by an additional 2 points, lowering the rate for corporations to 30 percent in 2007.

Since 1996, our trading partners have realized that being competitive in the global marketplace requires cutting taxes of the businesses that employ their workers. Many countries, including Australia, Canada, France, Germany, Japan, Poland and Turkey, have cut their corporate tax rates drastically—some by 10 percent or more. In fact, the average top corporate tax rate for governments in the Organization for Economic Cooperation and Development (OECD) has dropped from a rate of 41 percent in 1986 to 30.9 percent in 2003, while the U.S. corporate rate has remained unchanged at 35 percent over the same period. When state and local taxes are added on top of this rate, the U.S. corporate tax rate averages 40 percent—which is more than 9 percentage points higher than the OECD average.

While other countries have learned that lower taxation enables them to compete for business, and ultimately jobs, the United States has failed to respond, and American workers have suffered. Many in this Congress have remained content to sit idly by as other nations have lowered corporate taxes. Instead of freeing American businesses and our workers from oppressive taxation and burdensome regulations, this Congress has continued to support efforts to make our tax code more ambiguous and difficult to navigate.

Over the past 20 years, the Congress has passed tax law that has led to the creation of complicated and excessive rules—rules that have negatively impacted the ability of American companies to compete in the world market. These have been "defensive" responses to competition, not "offensive" responses to increasing worldwide competition. Throughout, the Twentieth Century, the United States competed aggressively in the world market, and as a result our competitors responded. To remain competitive, this Congress MUST act again, and we MUST begin by reforming our tax policy that has become a choke collar on our American workers, restricting them from being free to compete with other workers in the world market.

As this Congress debates export subsidies and global competition, we will continue to hear much about the challenges faced by American manufacturers. Yet, the first and foremost challenge that American manufacturers, and all American employers, face is an increasingly restrictive and oppressive tax code. The ACE Act would address this fundamental issue and enable American workers in all sectors, including manufacturing, to once again compete in the world market. This bill would instill confidence in our manufacturing industry and would entice many other industries to operate here instead of locating overseas.

As the greatest workers in the world, there is little doubt about the outcome, if only the Congress will free our workers to compete.

Some will say that we cannot afford the ACE Act, but American workers cannot afford the alternative—continued taxation that restricts, limits and chokes their ability to compete. Some are saying that any tax legislation must be budget neutral; yet, over the last two years, the corporate income tax structure remains unchanged, and corporate revenue has only declined. In fact, Corporate Income Tax Revenue has decreased significantly—from 2000 to 2001 Corporate Income Tax Revenues fell from $207.3 billion to $151.1 billion, a decrease of $56.2 billion; in 2002, Corporate Income Tax Revenue dropped to $148 billion—a decrease of $59.3 billion from the 2000 level. In 2 years, our corporate tax laws have resulted in lost jobs, lost dollars in American workers' pockets, and a combined loss in revenue of $115.5 billion (See Table F–3 of the Congressional Budget Office—Budget and Economic Outlook: Fiscal Years 2004–2013).

Over the past 3 years the United States has seen a loss of 2.7 million manufacturing jobs—with an average of 60,000 job losses per month over the past 2 years. Some of these jobs have disappeared due to increased production efficiencies, but many more have been relocated overseas.

History has shown that lower taxation leads employers to keep the employees they have, to invest in capital expenditures that create new jobs, and to increase their profits which, in turn, means economic growth, more jobs, more exports, more production, and, ultimately, more dollars flowing to the Federal Treasury. Let us learn from history and pass meaningful tax relief to stimulate economic growth and, in turn, increase the funds in workers' pockets; ultimately, this would mean more dollars for the Treasury of the United States.

I urge my colleagues in this House to consider the actions of others around the world, to consider history's lessons, and, most importantly, to consider the effect of our tax code on workers in their own districts. I have considered this all and am determined that we must free American workers from the choke collar of taxation. This Congress must act and provide much needed relief for all American corporations that employ our people.

Mr. Speaker, I call on the House to consider American workers and consider the challenges they face. It is time that the House pass solid, meaningful tax legislation that supports the American worker.

[From the Tax & Budget Bulletin, CATO Institute]

THE U.S. CORPORATE TAX AND THE GLOBAL ECONOMY

(By Chris Edwards, Director of Fiscal Policy, Cato Institute)

The corporate income tax is at the center of numerous policy debates today. First, the World Trade Organization has ruled that the U.S. Foreign Sales Corporation/Extraterritorial Income Exclusion (FSC/ETI) tax break given to exporters is illegal. The European Union has threatened the United States with trade retaliation unless it repeals FSC/ETI by the end of this year. Next, corporate tax avoidance has been in the news in the wake of the Enron scandal. Finally, there is growing concern that the corporate income tax damages business competitiveness and reduces U.S. economic growth.

In response to the WTO ruling, bills have been introduced to repeal FSC/ETI, including H.R. 2896 by Ways and Means chairman Bill Thomas (R–Cal.) and H.R. 1769 by Phil Crane (R–Ill.) and Charles Rangel (D–N.Y.). The Thomas bill, and a similar proposal by Senator Orrin Hatch (R–Utah), includes many useful tax reforms in exchange for repeal of the $5 billion per year FSC/ETI provision. However, more fundamental tax reforms are needed, including a large cut to the corporate tax rate.

CORPORATE TAX REFORM IS LONG OVERDUE

Global direct investment flows rose sixfold in the past decade, and research shows that these flows are increasingly sensitive to corporate taxes. To attract capital and build the economy, the United States should have a neutral and low-rate corporate tax. Instead, the United States has perhaps the most complex corporate tax and the second highest corporate tax rate among major nations.

The U.S. statutory corporate tax rate is 40 percent, which includes the 35 percent federal rate and an average state rate of 5 percent. By comparison, Figure 1 shows that the average rate for the 30-nation Organization for Economic Cooperation and Development is 30.9 percent, down sharply from 37.6 percent in 1996.

Aside from a high rate, the U.S. corporate tax has uncompetitive rules for firms that compete in foreign markets. The U.S. Treasury's assistant secretary for tax policy, Pam Olson, recently testified that ''no other country has rules for the immediate taxation of foreign-source income that are comparable to the U.S. rules in terms of breadth and complexity.'' The complexity of the U.S. rules on foreign income are infamous—Dow Chemical has calculated that 78 percent of its 7,800-page U.S. tax return relates to the rules on foreign income.

Part of the problem is that Congress has viewed corporations as cash cows, and has shown little concern that high taxes reduce investment and drive capital and profits abroad. One example of how the demand for more tax revenue can backfire is the taxation of ''foreign base company shipping income.'' It used to be that the foreign income earned by cargo ships and other vessels owed by U.S. subsidiaries was not taxed until repatriated to the United States. However, Congress changed the rules in 1975 and 1986 to tax that income immediately as earned. But rather than raising federal revenue, the changes reduced revenue as the U.S.-owned shipping fleet shrunk and the tax base disappeared. The U.S. share of the world's open-registry shipping fleet fell from 25 percent in 1975 to less than 5 percent today. The Thomas and Hatch bills include a fix to this counterproductive tax provision.

THOMAS BILL INCLUDES MODEST REFORMS

The corporate tax reform bill introduced by Bill Thomas would reduce the double taxation of foreign income earned by U.S. multinational corporations (MNCs) and simplify the rules for foreign tax credits and subpart F income. Simplifying and reducing taxes on MNCs would benefit the U.S. economy in a number of ways. U.S. MNCs would be able to increase U.S.-based research and other headquarters activities if their foreign operations were larger and more profitable. Also, MNCs could better penetrate global markets with U.S. exports if their foreign affiliates were more competitive. Indeed, U.S. Department of Commerce data show that U.S. MNCs account for two-thirds of all U.S. merchandise exports. By making U.S. MNCs more competitive, the Thomas bill would boost U.S. exports, employment, and incomes. The Thomas bill also includes other useful but limited reforms, including faster depreciation for some equipment investment, liberalizing the subchapter S rules for small corporations, and changes to the corporate alternative minimum tax.

The Crane-Rangel bill provides a targeted tax break for manufacturing. A new deduction would reduce the tax rate for domestic manufacturing by 3.5 percentage points, but would not cut taxes for other types of businesses. This is poor policy compared to a broad-based tax cut because it would increase tax complexity and divide the business sector even further into separate lobbying camps, each wanting narrow breaks rather than overall reforms.

MORE FUNDAMENTAL REFORMS NEEDED

Rather than provide narrow breaks, Congress should cut the 35 percent corporate tax rate to 20 percent so that the United States becomes a tax reform leader, not a laggard. In order not to increase the deficit, a rate cut could be paired with cuts to federal spending on business subsidies, which currently total about $90 billion per year. Such a reform package would increase investment and employment incentives for all firms and reduce government favoritism and business distortions.

Beyond a rate cut, Congress should consider full repeal of the corporate tax or replacement with a cash-flow tax. A cash flow tax would increase domestic investment and make U.S. firms more competitive in global markets because firms would not be taxed on their foreign business income. A cash-flow tax would also reduce wasteful tax sheltering. Indeed, most of Enron's tax shelters would not have been possible under a cash-flow tax.

Congress should aim to give this country the best possible corporate tax environment, not one of the worst. A good first step would be to simplify and reduce taxes for U.S. MNCs, and then follow up with a reduction of the corporate tax rate to 20 percent.

IN APPRECIATION FOR A LIFETIME OF DEDICATION

HON. MIKE ROSS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 20, 2003

Mr. ROSS. Mr. Speaker, I rise today to honor and congratulate an outstanding Arkansan, and native of the Fourth Congressional District, whose dedication to historic preservation and to our National Park system is beyond extraordinary.

Parker Westbrook is a recipient of the Gold Star Award, which is one of the most prestigious awards the President's Advisory Council on Historic Preservation bestows to its members.

I am also here to honor Mr. Westbrook for his active involvement as a member of the advisory board for the National Park System.

Through his selfless, unyielding service to both organizations, Parker played a major role in protecting our Nation's resources, and preserving our precious national landmarks.

For the past 8 years, Parker has spent countless hours serving on both of these prestigious boards. His dedication went well beyond mere membership; he never missed a meeting for either organization.

Throughout his life, Parker has sought to better his community and his country by preserving our country's heritage for future generations. He is a role model to all Americans who strive for exceptional public service. I congratulate him on his recent accomplishment, and I wish him the best in what I know will be many more years of selfless service to our country.

HONORING THE REV. JOHN P. MINOGUE

HON. RAHM EMANUEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 20, 2003

Mr. EMANUEL. Mr. Speaker, I rise this evening to recognize the Reverend John P. Minogue, a great American and dedicated leader in the Catholic and higher education communities of Chicago. Last week, Father Minogue announced his plans to retire after a decade as the tenth president of DePaul University, located in my district on the North side of Chicago.

Under Father Minogue's leadership, DePaul has reached major goals projected under the university's strategic plan, ''Vision 2006.'' DePaul's students, faculty, staff and trustees, as well as the City of Chicago itself, have benefited tremendously from Father Minogue's leadership and vision. During Father Minogue's tenure, DePaul University has become the largest Catholic university and the eighth-largest private university in the United States. This fall's record enrollment of nearly 24,000 students represents the tenth consecutive year that DePaul has posted historic enrollment gains.

Expanding access to learning has been the hallmark of Father Minogue's presidency. The university supports 130 academic programs and a faculty and staff totaling over 4,200 people. He led efforts to provide increased access to high-quality education for a diverse student population. He also championed global education by establishing a variety of international sites and programs. Suburban campuses grew from two to five, and the university welcomed Barat College into the DePaul family as its ninth college in 2001.

During Father Minogue's tenure, DePaul celebrated its centennial and transformed its city campuses with additional facilities that